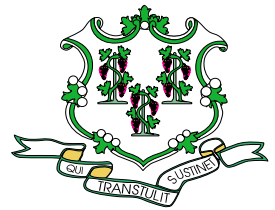




DEPARTMENT OF ADMINISTRATIVE SERVICES



STATE OF CONNECTICUT

TO: AGENCY HEADS AND AGENCY PERSONNEL ADMINISTRATORS
DT: October 1, 2001
RE: Performance Assessment and Recognition System
(PARS)

165 Capitol Avenue
Hartford, CT 06106-1658
860-713-5105
860-713-7480 FAX
alan.mazzola@po.state.ct.us

ALAN J. MAZZOLA
Deputy Commissioner

Governor Rowland has authorized funding for PARS payments for managers, effective December 28, 2001 for the 2000-2001 fiscal year. This funding allows participating managers to receive salary increases, and funds Performance Recognition Award bonuses for those with extraordinary accomplishments during the year. Three percent (3%) salary increases or lump sum payments at maximum will be available to all managers rated "meets all expectations" or above, for the Fiscal Year 2000-2001. Salary increases and bonuses will appear in the January 25, 2002 paychecks.

AGENCY ELIGIBILITY: PARS salary increases and bonuses will be effective with the pay period beginning on December 28, 2001. Those agencies participating in PARS during FY 2000-2001 will be eligible to grant salary increases, lump sum payments at maximum, and bonuses based on performance evaluations of managers on the MP and MD pay plans. To be approved for payment of these amounts, PARS agencies must comply with directions concerning payouts and supply the information requested in this memorandum to the OPM Budget and Financial Management Division by November 9, 2001.

In agencies which have not participated in the PARS program, managers with good performance who are paid on the MP and MD pay plans will receive annual increases of three percent (3%) up to the position rate/maximum of their salary range. (Lump sum payments are not available to managers in non-participating agencies.)

SALARY INCREASES FOR PARS AGENCIES: A three percent (3%) salary increase not to exceed the maximum of his/her salary group will be built into the salary of those managers rated in the top two categories: "meets all expectations" and "exceeds expectations". A one and one-half percent (1.5%) increase will be built into the salary of those with a first rating of "needs improvement". A second consecutive rating of "needs improvement" earns no salary increase. No payout will be made to those with a rating of "unsatisfactory". A manager at the maximum of his/her salary group will be eligible for a lump sum payment of three percent (3%) for performance rated as "meets all expectations" or "exceeds expectations". A performance recognition award may be added to this amount for exceptional performance.

PERFORMANCE RECOGNITION AWARD BONUSES: PARS allows agencies to determine both the number and size of Performance Recognition Award bonuses within the agency pool of dollars and the minimum/maximum guidelines. Two hundred and fifty dollars (\$250) will be allocated for each eligible manager and placed in the agency's Performance Recognition Award bonus pool. Supervising managers may nominate managers for these bonus awards and each agency is expected to weigh performance and responsibility distinctions in making decisions about the relative size of its performance recognition awards to its managers. Minimum and maximum award limits have been established. For agencies with six or more participating managers, the minimum award bonus that can be given is \$750 and the maximum award bonus that can be granted is \$1500. For agencies with fewer than six participating managers, bonus payments may range from a minimum of \$250 to a maximum of \$1500. This decision was reached after discussions with the Office of Policy and Management. Next year, to [An Equal Opportunity Employer](#) allow agencies

more flexibility in awarding bonuses to its managers, the \$750 minimum (\$250 for agencies with less than 6 managers) and \$1500 maximum payout will be waved given available resources.

INDIVIDUAL ELIGIBILITY: Please note that agencies may only count managers for their pool who are fully eligible (having at least six months' participation in the plan) for PARS. Durational Project Manager and Customer Services Program Developer positions filled by individuals from outside the classified service and Executive Assistants are not to be included in the count or receive payments. Managers, who participated in the plan from July 1, 2000 and retired, were laid off or died between January 1 and June 30, 2001, may receive pro-rated payments. Since payments are delayed six months, only 75% of the normal pro-rated payments should be paid, as was the policy last year. Managers who were hired or promoted into managerial classes during the year may receive a reduced salary increase, depending on the date of appointment and, in the case of a promotion, the previous annual increase date. (Please refer to the Appendix of the PARS manual, which is enclosed, for instructions on pro-rated payments and on managers hired or promoted during the year.)

Managers who transfer from one agency to another during the rating year or prior to payout, receive PARS salary increases and/or lump sum payments from the employing agency at the time of payout. (Managers who transfer to an agency governed by a different pay structure such as the Judicial or Legislative branch, are not eligible for PARS salary increases or lump sum payments.) Bonus awards for these managers, if applicable, would be paid by the receiving agency. Transfer situations are often complex and may require a case by case review.

REQUIRED DOCUMENTATION: Agencies participating in the PARS program must complete the attached PARS Summary Form A to document how PARS funds are expended. Although the PARS payments will be made in January, 2001, all performance appraisals must be completed and the required summary documents sent to OPM by November 9, 2001. Please note that performance evaluations must be on file in agencies for all employees on the MP and MD Pay Plans. These completed performance appraisals should be kept in the manager's official personnel file.

Rosters that reflect employees who have participated in PARS during Fiscal Year 2000-2001 and their current salaries will be sent to you by October 5, 2001. This will be a list that you can edit and it should assist you in making salary calculations. The completed PARS Summary Form A must be sent to OPM. (Please note that all relevant pay scales for PARS participants are available on the DAS web site [www.das.state.ct.us] to assist you in determining those persons who are at the maximum of their range who will receive lump sum payments.)

Agencies not presently on APS will need to generate their own managerial list. This list should be in spreadsheet form and should include: manager's name, job title, PARS rating, MP/MD salary group, present salary, salary after the PARS increase, lump sum payment and bonus award.

Please mail, e-mail or FAX all completed PARS Summary Forms A to:

Leah Lemons
OPM/Budget and Financial Management Division
450 Capitol Avenue, MS#53 BUD
Hartford, CT 06106
FAX Number: 860-418-6490
E-mail: leah.lemons@po.state.ct.us

APS: A Form 301 must be created for each managerial employee. Indicate the MP/MD salary group that the employee is assigned to and the calculation of the increase or bonus in the remarks section of the forms. The following is an example of the salary calculation for a manager rated as "meets all expectations".

Indicate the salary group used for calculation - June 30, 2001 biweekly base salary x 26.1 = June 30, 2001 annual salary (round down to nearest dollar). June 30, 2001 annual salary x 1.03 (PARS increase) = new annual salary (round up to nearest dollar). If this amount is over the salary group maximum, the amount over maximum is paid as a lump sum. New annual salary divided by 26.1 = new biweekly salary (round up to nearest penny).

Agencies are asked not to enter 301s until **after November 30, 2001**.

AWARD CERTIFICATES: The Contract Award for PARS Certificates has been granted to Grader Jewelers, Inc. of Groton, Connecticut. To review this Contract Award, go to the DAS Website address: Procurement Section and reference Contract Award #SBE990-A-15-0764-C or cut and paste for following address into your browser:

http://www.das.state.ct.us/Purchase/Contracts_by_Number.asp?C_Contract_Num=0764

Each agency Human Resources Office will need to submit the names of individuals who should receive a PARS Certificate to their Business Office. Orders must be placed directly with the vendor before December 15, 2001 and billing will be directly to the agency.

Questions concerning this information may be directed to Janet DelGreco via e-mail at janet.delgreco@po.state.ct.us or via telephone at (860) 713-5130.

FISCAL YEAR 2002: As we begin the new fiscal year, the most important part of the PARS program begins again – drafting objectives to define each manager's responsibilities and expectations for the year. I hope you will use this management tool to support your annual business planning process and to help define and achieve your agency's mission.

QUESTIONS: Questions regarding the administration of the PARS program should be addressed to William Gills at 860-713-5192. Questions regarding 201 and 301 processing should be directed to Antoinette (Toni) Alphonse at 860-713-5168.

Thank you very much for your cooperation.

Alan J. Mazzola

ALAN J. MAZZOLA
DEPUTY COMMISSIONER

01-09

**DEPARTMENT OF ADMINISTRATIVE SERVICES
HUMAN RESOURCES BUSINESS CENTER**

PARS Summary Form A

AGENCY NAME _____ **AGENCY #** _____ **FY 1999-00**

MANAGERS ELIGIBLE for PARS payments:

Managers participating in PARS for at least 6 months _____

Retired managers eligible for pro-rated payments _____

Sub-total _____ **x \$250 =** _____ **Bonus Pool**

Other managers (receiving no PARS, or phase in payments) _____

Total agency managers _____

FUNDING

GENERAL FUND:

General fund **Salary Increases** \$ _____

General fund **Lump Sums paid at max** \$ _____

General fund **Bonus Payments**** \$ _____

Total General Fund PARS \$ _____

NON-GENERAL FUND:

Non-general fund **Salary Increases** \$ _____

Non-general fund **Lump Sums paid at max** \$ _____

Non-general fund **Bonus Payments**** \$ _____

Total non-general fund PARS \$ _____

****TOTAL BONUS PAYMENTS (MUST NOT EXCEED BONUS POOL)** \$ _____

RATING CATEGORY	# of Managers	Pct of Managers	# at Position Rate
Exceeds Expectations	(3%+) _____	_____	_____
Meets All Expectations	(3%) _____	_____	_____
Needs Improvement	(1.5%) _____	_____	_____
Unacceptable	(0%) _____	_____	_____
Total	_____	100% _____	_____

APPENDIX

Statutes and general letters which set guidelines and procedures for the PARS process are cited here for easy reference.

Connecticut General Statutes Section 5-210(d) establishes the program.

The Commissioner of Administrative Services may establish one or more state incentive plans for employees whose positions have been designated managerial or confidential. Notwithstanding the provisions of this section (5-210(a,b,c)), annual salary increases or lump sum payments for employees whose positions have been designated managerial or confidential may be based on annual performance appraisals made by the agency heads or their designees in accordance with state incentive plans approved by the Commissioner of Administrative Services. Such salary increases shall be in accordance with the provisions of the compensation schedule then in effect. Such employees shall receive an increase for "good" performance up to the position rate.

General Notice 90-4 concerns promotion and new hires into the Management Pay Plan.

1. Promotions to the Management Pay Plan between January 1 and June 30 for those who previously had a January annual increase date:

a. Adjust the manager's rate of pay, effective the beginning of the pay period which includes July 1, by one-half of the percentage paid to fully successful managers the previous July.

b. Adjust the employee's rate of pay, effective the beginning of the pay period which includes January 1, by one-half of the percentage paid to fully successful managers the previous July.

c. The employee will be given a permanent increase date of July 1 thereafter, and will receive increases in accordance with the standard procedure ...

2. Promotions between July 1 and December 31 for those who previously had a January increase date:

a. Adjust the employee's rate of pay by one-half of the percentage paid to fully successful managers in the previous July, effective with the beginning of the pay period which includes January 1.

b. A manager will be given a permanent increase date of July 1 thereafter...

3. New hires in management classes:

a. If hired between January 1 and June 30, the employee will receive an increase of one-half of the percentage paid to fully successful managers in the previous increase effective with the beginning of the pay period including January 1 following, and then will be given a permanent July 1 increase date thereafter.

b. If hired between July 1 and December 31, the employee will have a permanent July 1 date.

A letter of August 18, 1982 to Agency Heads established rules on the computation of bonus payments.

"Incentive compensation for managerial personnel at or above position rate maximum must be in the form of a lump sum payment which is to be based on the position rate of the salary group involved... The actual salary rate of a manager above position rate will not be used in this computation."

General Notice 86-3 of August 6, 1986 concerns pro-rated payments.

A manager participating in a State incentive plan... who retires, is laid-off or dies between January 1 and June 30 may receive a pro-rated... bonus as provided below:

If objectives have been in place from the beginning of the fiscal year, a performance appraisal should be done before the manager's departure. If this appraisal results in a rating of meets-all-expectations or higher, then pro-rating occurs according to the following schedule:

50% of full payout if the manager's retirement is effective January 1 or February 1 (or lay-off or death occurs in January or February).

75% of full payout if the manager's retirement is effective March 1 or April 1 (or lay-off or death occurs in March or April).

100% of full payout if the manager's retirement is effective May 1 or later in the fiscal year (or lay-off or death occurs in May or June).

These payments are NOT available to those who are dismissed or resign during the year.

On September 18, 1991 a letter was sent to Personnel Administrators and the Retirement Commission referring to General Notice 86-3. It states:

It is our policy that these pro-rated payments should be made as a lump sum bonus payment, whether or not the manager is at salary group maximum.

A letter of March 20, 1991 concerns participation in incentive plans by Executive Assistants.

Executive Assistants should no longer be included in State incentive programs for managers. ...When annual increases are available, all executive assistants will be eligible for a standard percentage increase in salary... This action will remove the Assistants from consideration for differential performance ratings and bonus payments associated with the incentive plans.

A letter of March 8, 1993 concerns participation by Durational Project Managers.

Certain Durational Project Manager (DPM) positions are filled by individuals from outside the State classified service. They are similar to contractual employees working on a project for a limited amount of time. These employees should not be included in your incentive plan.

Other DPM positions are filled by classified State managers who assume responsibility for a special project. This places them in this unclassified position for a period of time with the expectation that they may return to a classified position. Employees in these positions should be included... Agencies are asked to assess the appropriate status of their Durational Project Managers.

Frequently Asked Questions about PARS (FY 2000-01)

Question 1: What is different about this year's PARS program?

Answer: The 2000-01 **PARS Summary Form A** has been revised and the completed form should be returned to Leah Lemons, Budget and Financial Management Division, OPM, 450 Capitol Avenue, MS#53BUD, Hartford, 06106-1308.

Question 2: Can an agency with **less than 3 managers** participate in PARS?

Answer: All agencies with one or more managers can participate as long as they have an approved plan. In previous years an agency needed 3 or more managers contributing to the bonus pool to be eligible.

Question 3: I have heard that the **minimum and maximum** payout allocations for managers receiving **bonus awards** has been eliminated. Is this true?

Answer: Not for FY 2000-01. Next fiscal year, within available resources, (FY 2001-02) **the limits will be removed** so that agencies will have more flexibility in allocating their bonus awards. This year:

- 1) Any amounts can be allocated to employees in the pool as long as the payout is no less than \$750 and no more than \$1500 for agencies with more than 6 managers contributing to the bonus pool OR
- 2) No less than \$250 and no more than \$1500 for agencies with 6 or less managers contributing to the pool.

Question 4: What managerial **positions are not eligible** for PARS?

Answer: Executive Assistants, Durational Project Managers and Customer Services Program Developers appointed from outside State service and bargaining unit employees assigned to TSHC in a managerial class.

Question 5a: Who is eligible to receive **lump sum payments**?

Answer: Lump sum payments are for employees who are:

- 1) being paid out of the "bonus pool" for receiving a rating of "**exceeds expectations**"
- 2) receiving payments which **exceed the maximum of the salary range**
- 3) **receiving pro-rated payments** (see General Notice 86-3 of August 1986, found in the Appendix of the PARS Handbook. The PARS Handbook can be found on the DAS website at: http://www.das.state.ct.us/HR/Performance/PARS_Handbook_97.doc)

Question 5b: Are managers who are at the maximum of their pay range eligible for a **full lump sum** payment even though the **payment has been deferred**?

Answer: Yes. Every manager in a PARS participating agency is eligible for the 3% increase for fully successful performance. This was authorized by the Governor to cover the rating period for FY 2000-01. Managers at the maximum of their pay range are entitled to the same payout (3%) as all other eligible managers who have achieved the same rating ("meets expectations"). To receive any less would be inequitable.

Question 6: How do you calculate the amount of a **lump sum payments over the maximum** of the managers salary range?

Answer: There are three possible scenarios each requiring a different approach. The first scenario involves the rare circumstance where an employee is **over the maximum** prior to the PARS award being applied. In this situation, the employee receives his/her entire PARS award in the form of a lump sum and the amount of the lump sum is calculated based upon the maximum of the managerial pay range assigned to the manager's class (rather than the managers actual annual salary).

Illustration:

Bi-weekly Salary	Current Annual (26.1)	Maximum of MP Range	Amount of Lump Sum
\$3,448.28	\$90,000	\$88,000	$\$88,000 \times .03 = \$2,640$

The second scenario involves a manager whose salary is **at the maximum** of his/her salary range prior to the PARS award being applied. In this scenario, the entire PARS award is received in the form of a lump sum payment.

The third scenario involves a manager who is **below the maximum** and the PARS award would cause the manager's salary to exceed the maximum. Establish the managers "current annual" pay by multiplying the bi-weekly salary by a factor of 26.1 (round down to the nearest dollar). Then, multiply that amount by a factor of 1.03 (or 3% for managers being awarded a fully successful or "meets expectations" rating) to determine the "new annual" pay (round up to the nearest dollar). Find the salary maximum of the managerial pay range assigned to the manager's class. Subtract the maximum of the pay range from the "new annual" pay. The calculated difference represents the amount of the "lump sum" payment.

Illustration:

Bi-weekly Salary	Current Annual (26.1)	New Annual (1.03)	Maximum of MP Range	Amount of Lump Sum
\$3,831.41	\$100,000	\$103,000	\$102,000	\$1,000

Question 7a: Which agency is responsible for making PARS payments for managers who **transfer** to another agency?

Answer: Even if the manager has completed less than a full year in the receiving agency to which he/she has been assigned or has transferred, the agency to which the employee has been assigned or is transferred will receive a \$250 credit toward their managerial bonus pool and make the payout. Evaluations should be coordinated between the sending and receiving agencies.

Question 7b: If a manager **transfers to another agency before the deferred PARS** payout and is rated "exceeds expectations" is that manager still eligible to receive a bonus payment?

Answer: Yes, the manager is eligible to receive the bonus payment and that payment is to be paid out by the receiving agency.

Question 8: Are **part-time managers** eligible for PARS payouts and can they be counted as part of the bonus pool?

Answer: Yes, as long as they have at least the part-time equivalent of 6 months participation in a PARS plan. (See Appendices C and D in the step by step guide for adjusting salaries in the handbook for *"Determining Salaries Upon Change in a Class"* in Appendices C and D). The amount of the payout needs to be prorated. You will find the Handbook on the DAS Website under Human Resources Services/Classification and Compensation Rules and Regulations.

Question 9: Are employees placed in **durational** managerial/confidential positions eligible for PARS?

Answer: Yes, they are paid in a manner as if they had been permanently assigned to the class, except for those who are in positions which are not eligible for PARS (See Question 4 of this document).

Question 10: How are PARS payments allocated to fully successful managers who previously had a **January annual increment** and were **promoted** to a managerial pay plan in FY 2000-01.

Answer: If promoted between January 1, 2001 and June 30, 2001
Adjust the rate of pay accordingly:

- 1) 1 ½ % (1/2 the amount paid to fully successful managers) in the pay period effective December 28, 2001.
- 2) 1 ½ % (1/2 the amount paid to fully successful managers) in the pay period effective March 22, 2002.
- 3) Effective July 1, 2002, pay the full amount paid to fully successful managers.

If promoted between July, 2001 and December 31, 2001

Adjust the rate of pay accordingly:

- 1) 1 ½ % (1/2 the amount paid to fully successful managers in the pay period effective March 22, 2002.
- 2) Effective July 1, 2002, pay the full amount paid to fully successful managers.

Question 11: If the employee is already a **manager** and has been **promoted** to another managerial class, how are the payments allocated?

Answer: A 3% payout will be based on whatever class you were in as of July 1, 2001.

Question 12: What if a **new employee** was hired as a manager in FY 2000-01, how are the payouts allocated?

Answer: If hired between July 1, 2000 and December 31, 2000, pay the full amount paid to fully successful managers effective July 1, 2001, deferred to December 28, 2001.
If hired between January 1, 2001 and June 30, 2001, the employee should receive an increase of 1½% (1/2 the amount paid to fully successful managers), effective March 22, 2002. Effective July 1, 2002, pay the full amount paid to fully successful managers.

Question 13: If an employee retires, is laid off or dies after June 30, 2001, but prior to the **deferred PARS payout date** is he/she eligible to receive a 100% PARS payment?

Answer: Yes, if the performance rating of the employee was "fully successful" or better and he/she completed a full rating year (7/1/2000 to 6/30/2001).

Question 14: How is the payment to be **prorated** if an employee retires, is laid off or dies between January 1, 2001 and June 30, 2001?

Answer: At 75% of the normal prorated amount as was the policy last year.

Question 15: Are managers who are **dismissed or resign** during the rating year eligible to receive a PARS payment.

Answer: No.

Question 16: Are **unclassified managers** eligible to participate in PARS?

Answer: Yes, as long as the agency is a participating agency and the manager has been rated in accordance with the provisions of the PARS plan. However, this does **not include** employees in the classes of Durational Project Manager, Customer Services Program Developer or Executive Assistant (see Question 4 on the PARS FAQs).

Question 17: What do I do with the manager's **Performance Appraisal Forms**?

Answer: The originals should be kept in the manager's official personnel file.

REMINDER: 1) Agencies must process 301's for *all eligible managers*. This includes managers whose salary group is VR 99.

2) Use the "round up" method when doing your calculations. Start with the current bi-weekly salary x 26.1 = current annual x 1.03 = new annual divided by 26.1 = new bi-weekly. The transaction code for all these actions should be "AN" and the reason for the salary change code should be "AN".